

# **EXHIBIT**

## **2**

GRACE

bcc: S. H. Ahern  
R. J. Bettacchi  
R. C. Ericson  
J. A. Raggio/Zono Newark  
T. P. Felt/CPD Santa Ana  
R. A. Merther

Construction Products Division

W.R. Grace & Co.  
62 Whittemore Avenue  
Cambridge, Mass. 02140

(617) 876-1400

July 20, 1983

Mr. Dave Barnard  
Mercy San Jose Hospital  
6501 Coyle Avenue  
Carmichael, CA 95608

W.R. GRACE & CO.  
RECEIVED

JUL 26 1983

SANTA ANA

Dear Mr. Barnard:

This is in response to your recent inquiry to our Mr. Larry Iddins concerning ZONOLITE® MONOKOTE® Fireproofing. Our assumption in this matter is that the Monokote product used on your hospital project was Type MK-3.

This product was a mill-mixed blend of lightweight vermiculite aggregate and air-entraining agent in a gypsum binder. As manufactured, approximately 14% of asbestos was added to the product. Sales of this asbestos-containing product was discontinued in 1973.

In deciding on an appropriate course of action with regard to in-place material such as this, consideration needs to be made as to the type of product used, the physical condition of the in-place material, and the accessibility of the material to physical damage and dusting.

ZONOLITE MONOKOTE Fireproofing (MK-3) should not be confused with those products which were formulated with higher asbestos contents (up to 50%) and were air sprayed to form a low density, fluffy, lightly bound mat. By contrast, Monokote was formulated to be combined with water on the jobsite to produce a cementitious plaster-type mixture which set to a relatively dense and durable material, well bonded to the surface to which it was applied.

Because of the "setting" characteristics of this plaster-type material, we believe that the asbestos fibers are encapsulated in the matrix, and therefore, are not subject to release into the environment.

If, however, the material has been damaged or has deteriorated so that the surface is subject to dusting or flaking, consideration should be given to either (1) removal of the material, or (2) overspraying and sealing of the surface. Enclosed is a list of sealers tested by the Battelle Columbus Laboratories to meet EPA regulations.

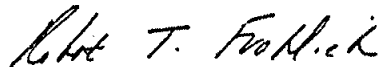
Since your concern is possible exposure to respirable asbestos fibers which might be released from the material, only on-site air sampling measurements will determine the actual airborne asbestos fiber concentrations. Air monitoring should be done in accordance with OSHA regulations.

Mr. Dave Barnard  
Page 2  
July 20, 1983

Enclosed is a copy of the EPA guidance document "Asbestos Containing Materials in School Buildings." This document provides much of the background on the asbestos problem in this country along with general guidelines on handling such problems.

Please review the enclosed and get back to me if you have any questions.

Sincerely,

  
Robert T. Frohlich  
Manager, Product Support

RFT/ko'c

Enclosures

cc: L. A. Iddins/Zono Newark

GRACE

bcc S. H. Ahern  
R. J. Bettacchi  
R. C. Ericson  
J. A. Raggio/Zono Newark  
T. P. Feit/CPD Santa Ana  
R. A. Merther

Construction Products Division

W.R. Grace & Co.  
62 Whittemore Avenue  
Cambridge, Mass. 02140

(617) 876-1400

July 20 1983

Mr. Dennis Keith  
Nacht & Lewis, Architects  
420 Broadway  
Sacramento, CA 95818

W.R. GRACE & CO.  
RECEIVED

JUL 26 1983

SANTA ANA

Dear Mr. Keith

This is in response to your recent inquiry to our Mr. Larry Iddins concerning ZONOLITE® MONOKOTE® Fireproofing. Our assumption in this matter is that the Monokote product used on the KXTV/CBS Studios Project was Type MK-3.

This product was a mill-mixed blend of lightweight vermiculite aggregate and air-entraining agent in a gypsum binder. As manufactured, approximately 14% of asbestos was added to the product. Sales of this asbestos-containing product was discontinued in 1973.

In deciding on an appropriate course of action with regard to in-place material such as this, consideration needs to be made as to the type of product used, the physical condition of the in-place material, and the accessibility of the material to physical damage and dusting.

ZONOLITE MONOKOTE Fireproofing (MK-3) should not be confused with those products which were formulated with higher asbestos contents (up to 50%) and were air sprayed to form a low density, fluffy, lightly bound mat. By contrast, Monokote was formulated to be combined with water on the jobsite to produce a cementitious plaster-type mixture which set to a relatively dense and durable material, well bonded to the surface to which it was applied.

Because of the "setting" characteristics of this plaster-type material, we believe that the asbestos fibers are encapsulated in the matrix, and therefore, are not subject to release into the environment.

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Since your concern is possible exposure to respirable asbestos fibers which might be released from the material, only on-site air sampling measurements will determine the actual airborne asbestos fiber concentrations. Air monitoring should be done in accordance with OSHA regulations.

Mr. Dennis Keith  
Page 2  
July 20, 1983

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Sincerely,

  
Robert T. Frohlich  
Manager, Product Support

RFT/ko'c

Enclosures

cc: L. A. Iddins/Zono Newark

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W.R. GRACE & CO.  
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DEC -4 1981

SANTA ANA

Zonolite  
Construction Products Division

W.R. Grace & Co.  
62 Whittemore Avenue  
Cambridge, Mass. 02140

(617) 876-1400

November 24, 1981

R. W. Hartzler  
Director of Facilities  
Industrial Engineering  
Rockwell Energy Systems Group  
8900 De Soto Avenue  
Canoga, CA 91304

Dear Mr. Hartzler:

Re: MK-3/Bldg. #5

This letter is a follow-up to your recent phone conversation with our Mr. Tom Feit concerning MONOKOTE Fireproofing.

Prior to July 1973, the Construction Products Division of W. R. Grace & Co. produced two sprayed plaster fireproofing products, MONOKOTE-3 and MONOKOTE-4.

MONOKOTE-3 fireproofing, as manufactured, was a blend of lightweight vermiculite aggregate, gypsum, asbestos fibers and air entraining agents. The product contained approximately 13% by weight of the asbestos material. The Environmental Protection Agency banned asbestos-containing sprayed fireproofing in July of 1973, at which time MONOKOTE-3 was removed from the market.

When evaluating a future course of action with regard to older construction materials such as MONOKOTE-3 consideration needs to be made of the following parameters:

1. The age of the material;
2. Its physical condition in-place; and
3. The possibility of physical damage, due to accessibility.

Because of the "setting" characteristic of this gypsum-based product, we believe the asbestos fibers are encapsulated in the matrix. This conclusion assumes that the material is undisturbed and has suffered no in-place damage.

If the material has been subjected to external forces which have left its surface sifting and flaking, consideration should be given to either removal or encapsulation of the material with a sealer.

Of course, the overall concern is possible exposure to respirable asbestos fibers from the fireproofing and other materials. Only, on-site, breathing zone determinations will determine the exposure concentrations. Air monitoring should be done in accordance with OSHA regulations.

Towards understanding this situation further, I have enclosed a copy of the EPA guidance document "Asbestos-Containing Materials in School Buildings". This document provides much of the background of the asbestos problem in this country, along with general guidelines on handling such problems.

Please review the enclosed and get back to me if you have any questions or require clarification on a particular point.

Sincerely

*Robert A. Merther*

Robert A. Merther  
Manager  
Fire Protection Products

RAM:njs  
Enclosure

GRACE

Zenith  
Construction Products Division

W R Grace & Co.  
P O Box 2503  
2500 South Garnsey Street  
Santa Ana, CA 92707

(714) 979-4900

March 4, 1982

Mr. Jacob Robbins FAIA  
Robbins and Ream Inc.  
Architecture/Urban Design  
212 Sutter Street  
San Francisco, CA 94109

Dear Mr. Robbins:

In connection with your February 12 letter addressed to our Newark, California office, I am writing to confirm that our spray-applied plaster formulations prior to mid-1973 contained asbestos as an ingredient.

Because of the "setting" characteristic of these gypsum based products, we believe that the asbestos fibers are encapsulated in the matrix — a conclusion that assumes that the materials have remained undisturbed and have not been subjected to physical damage. In the event that these materials have been subjected to external force that have resulted in surface sifting or flaking, consideration should be given to either removal or encapsulation with a sealer.

The overall concern, of course, is the possibility of exposure to respirable asbestos fiber. Only on-site breathing zone determinations will determine exposure concentrations, if any. OSHA has regulations for air monitoring in the event that such action is necessary.

Very truly yours,

*Thomas P. Feit*

Thomas P. Feit  
Regional Manager  
W. R. Grace & Co.

TPF/jdy



MAR 10 1983

GRACE

Zonolite  
Construction Products Division

W.R. Grace & Co.  
62 Whittemore Avenue  
Cambridge, Mass. 02140

(617) 876-1400  
Telex 92-1417 GRACECO CAM

March 8, 1983

Mr. Thomas F. Hall  
General Manager  
Holiday Inn Union Square  
480 Sutter Street  
San Francisco, CA 94108

Re: Monokote® Cementitious Fireproofing

Dear Mr. Hall:

This is in response to your letter of February 22, 1983 to our Mr. John Raggio concerning the MONOKOTE Fireproofing material used on the Holiday Inn Union Square Hotel. It is our belief that the product used at your facility was MONOKOTE MK-3, applied in 1970.

MONOKOTE MK-3 Fireproofing, as manufactured, was a blend of lightweight vermiculite aggregate, gypsum binder, asbestos fibers and air entraining agents. The product contained approximately 13% by weight of the asbestos material.

When evaluating in-place materials of this type, consideration should be given to the type of product used, the physical condition of the in-place material and the accessibility of the material to physical damage and dusting.

The MONOKOTE product used on your building should not be confused with those fireproofing products which were formulated with higher asbestos contents (up to 50%) and were air sprayed to form a low density, fluffy, lightly bound mat. By contrast, Grace's MONOKOTE fireproofing (MK-3) was a mill-mixed formulation which was combined with water on the jobsite to produce a cementitious plaster type mixture which set into a product of higher density, was more tightly bonded to the substrate, and was a more durable and harder product.


Because of the "setting" characteristics of this plaster type fireproofing product, we believe that the asbestos fibers are encapsulated in the matrix, and therefore, are not subject to release into the environment. This conclusion assumes that the material is undisturbed and has suffered no in-place damage.

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We understand that Mr. Raggio has already been in contact with you via telephone. If you should have any further questions or need additional information on this matter, please let us know.

Sincerely



R. T. Frohlich

RTF/jdg

CC: J. Raggio

BCC: S. H. Ahern  
R. J. Bettacchi  
T. P. Feit  
R. A. Merther

G000081

GRACE

W.R. GRACE & CO.  
received

MAR 30 1983

SANTA ANA

Zonolite  
Construction Products Division

W.R. Grace & Co.  
62 Whittemore Avenue  
Cambridge, Mass. 02140

(617) 876-1400

March 24, 1983

Mr. Sol Nissenson  
Northrop Aviation  
1488 Carla Ridge  
Beverly Hills, CA 90210

Dear Mr. Nissenson:

This is in response to your recent inquiry concerning MONOKOTE® Fireproofing (MK-3).

This product was a mill-mixed blend of lightweight vermiculite aggregate and air-entraining agent in a gypsum binder. As manufactured, approximately 14% of asbestos was added to the product. Sales of this asbestos-containing product was discontinued in 1973.

In deciding on an appropriate course of action with regard to in-place material such as this, consideration needs to be made as to the type of product used, the physical condition of the in-place material and the accessibility of the material to physical damage and dusting.

Zonolite® Monokote Fireproofing (MK-3) should not be confused with those products which were formulated with higher asbestos contents (up to 50%) and were air sprayed to form a low density, fluffy, lightly bound mat. By contrast, Monokote was formulated to be combined with water on the job site to produce a cementitious plaster-type mixture which set to a relatively dense and durable material, well bonded to the surface to which it was applied.

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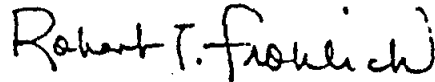
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-2-

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Please review the enclosed and get back to me if you have any questions

Sincerely,



Robert T. Frohlich  
Manager, Product Support

RTF/al

Enclosures

(  
bcc: S. H. Ahern  
R. J. Bettacchi  
J. P. Parker/Zono/Santa Ana  
T. P. Feit/Zono/Santa Ana ✓